

Introduction

The Central Intelligence Agency Retirement and Disability System (CIARDS) is now structured to pertain to a limited number of employees who qualify for participation and are so designated by the Director. To establish CIARDS as the exclusive retirement system for all Agency employees, with different provisions and benefits for varying types of Agency service, will therefore require a number of technical amendments throughout the Act. CIARDS is a self-contained retirement system originally based in large part upon provisions contained in the Civil Service Retirement System (CSRS). Many of the provisions in CIARDS are similar or identical to those in the CSRS, and these can serve as basic provisions for the majority of CIA employees. Additional or alternative provisions are then needed for the kind of employees who currently qualify for the special benefits contained in CIARDS as it exists today, and those who will qualify for such special benefits in the future. Thus, the amendments would incorporate into CIARDS most of the provisions of the CSRS, while allowing continuation of special benefits for those who qualify. The basic scheme of the attached amendments revolves around the concept of CIARDS "participants" and "special participants." The former would be the great majority of CIA employees who are today covered by the CSRS. They would get essentially the same benefits under the new CIARDS. The "special participants" in the new CIARDS would be

the kinds of employees who qualify for CIARDS as it currently exists; they would get essentially the same benefits as individuals in CIARDS receive today. In addition, the amendments would exclude Agency employees from social security coverage and provide for the transfer from the current Civil Service Retirement System to the new CIARDS system of the funds contributed to Civil Service by current employees.

CIARDS Amendments

TITLE I

PART A

-- Section 101. Amend title of the Act to "Central Intelligence Agency Retirement and Disability Act."

PART B - Definitions

-- Section 111. General Definitions.

- (1) "Agency" -- remain unchanged;
- (2) "Director" -- remain unchanged;
- (3) "Qualifying service" -- substitute definitions of "participant" and "special participant", the latter being the kind of people currently in the present CIARDS, and the former the kind of people currently in the Civil Service System;
- (4) "Fund balance" -- remain unchanged;
- (5) "Unfunded liability" -- remain unchanged;
- (6) "Normal cost" -- remain unchanged.

TITLE II

PART A - Establishment of System

-- Section 201. DCI's Rulemaking Authority. Amend so as to give the Director the authority to establish and maintain, notwithstanding the provisions of any other law, a retirement system to provide exclusive coverage for all CIA employees.

-- Section 202. Establishment of Fund. Remains unchanged.

-- Section 203. Definition of Participants. Move to definitional section.

-- Section 204. Definitions Related to Annuitants. Renumber and retain current definitions, except to the extent that current minor inconsistencies with civil service definitions will necessitate adoption of the latter.

PART B - Compulsory Contributions

Section 211. Payroll Deductions

Subsection (a): remains unchanged;

Subsection (b): remains unchanged;

Subsection (c); add "and special participants"; make miscellaneous changes to conform to changes in subsequent section references.

PART C - Computation of Annuities

Section 221. Computation of Annuities for Other Than Former Spouses.

subsection (a): bases of annuity - this section currently provides for annuities based on "2%/high 3". The revised section would have to differentiate between annuities for "participants" and those for "special participants". The annuities for the former would be current Civil Service annuities; those for the latter would be the current "2%/high 3" of CIARDS.

subsection (b): survivor annuity - remains unchanged.

subsection (c): survivor annuity for child - remains unchanged;

subsection (d): recomputation of annuity after death - remains unchanged;

subsection (e): date of payment of annuity - remains unchanged except for necessary renumbering;

subsection italic (e) in Guide (added by Executive Order): withholding of state tax on annuity - remains unchanged;

subsection (f): survivor's annuity for unmarried - no change except for required renumbering and insertion of definition of person having "insurable interest";

subsection (g): remarriage - no required change but good place to insert solution to "Paul E." problem;

subsection (h): credit for unused sick leave - remains unchanged except for necessary renumbering;

subsection (i): date of commencement of annuity payment - remains unchanged except for necessary renumbering;

subsection (j): date of termination of payment - remains unchanged except for necessary renumbering;

subsection (k): reduction of annuity for unpaid service - remains unchanged except for necessary renumbering;

subsection (l): minimum monthly payment - remains unchanged;

subsection *(m)*: (added by Executive Order): minimum payment based on veterans' payment - remains unchanged except required renumbering;

subsection (m): (1) former spouses provision - remains unchanged except for required renumbering;

subsection (n): remarriage - remains unchanged except for required renumbering;

subsection (o): informing former spouses of rights - remains unchanged except for required renumbering;

Sections 222 & 223. Computations of Annuities for Former Spouses. No change except for required renumbering.

PART D - Benefits Accruing to Certain Participants

-- Section 231. Disability Retirement. This section concerning retirement for reasons of disability or incapacity

is based on 5 U.S.C. 8337. However, amendments would be necessary in several places to distinguish between the computation of an annuity and benefits allowable for a participant retired for reasons of disability or incapacity, and the computation of an annuity and benefits allowable for a special participant retired for such reasons. Benefits for participants would track the language in 5 U.S.C. 8337 and benefits for special participants would be those currently in CIARDS wherever it differs from 5 U.S.C. 8337.

-- Section 232. Death in Service. This section contains provisions for the computation and payment of survivor annuities in the case of a CIARDS participant who dies while in service. This section references many of the provisions in section 221 of CIARDS which provides for the computation of annuities for other than former spouses. Together, these sections parallel many of the provisions in 5 U.S.C. 8341 which concerns the computation and payment of survivor annuities within the CSRS. Therefore, sections 232 and 221 of CIARDS would need to be amended to incorporate any applicable provisions in 5 U.S.C. 8341 not already in these sections, while maintaining any additional benefits or differences currently available for CIARDS participants who would be "special participants" in the amended CIARDS.

-- Section 233. Voluntary Retirement. This section gives the age limits for voluntary retirement under CIARDS. This section would be amended to differentiate between "participants" and "special participants."

-- Section 234. Discontinuance Service Benefits. This section concerns the option for individuals who separate from the Agency after at least five years of service to take a lump-sum benefit or a deferred annuity. The section references the provisions of sections 241 and 281 of CIARDS. These sections are similar but not identical to the corresponding sections within the CSRS, i.e., 5 U.S.C. §§ 8338, 8342, and 8343. In addition, section 234 contains provisions regarding former spouses which, although not contained in the CSRS, would be applicable to certain "participants" or "special participants." Additionally, the title and all references in the section should be changed to refer to "deferred annuities" rather than "discontinued service benefits".

-- Section 235. Mandatory Retirement. This section concerning mandatory retirement would not be amended except to indicate that the section applies only to "special participants" in the amended CIARDS.

-- Section 236. Limitations on Number of Retirees. This section limiting the number of retirements under CIARDS is now outdated and can be stricken in its entirety.

PART E - Disposition of Contributions and

Interest in Excess of Benefits Received

-- Section 241. Lump Sum Payments. This section governs the lump-sum return of retirement contributions to individuals who do not qualify for an annuity or a deferred annuity or whose total contributions with interest exceed the total amount returned in the form of annuities. Again, this section will have to be amended to make whatever conforming changes are necessary to the corresponding CSRS section, 5 U.S.C. 8342.

PART F - Period of Service for Annuities

-- Sections 251-253. Computation of Length of Service.

Section 251 concerning computation of length of service, section 252 concerning prior service credit, and section 253 regarding credit for service while on military leave will have to be amended to add those provisions in 5 U.S.C. 8332 dealing with creditable service which are not now covered within these three sections. Furthermore, section 252(c)(1) could be amended to ensure that the inclusion of all current CSRS participants in the amended CIARDS is a "direct transfer" which allows all contributions of CSRS employees to be transferred to the CIARDS fund.

PART G - Moneys

-- Section 261. Estimate of Appropriation. This section concerning an estimate of the appropriations needed remains unchanged.

-- Section 262. Investment of Moneys. This section regarding investment of monies in the fund remains unchanged.

-- Section 263. Attachment of Moneys. This section concerning attachment of monies requires only a minor amendment in subsection (b) so that payments to former spouses only apply to certain "participants" or "special participants."

-- Section 264. Recovery of Payments. This section concerning recovery of payments remains unchanged.

PART H - Recall, Reinstatements,

Reappointment and Reemployment

-- Section 271. Recall. This section allowing recall to duty would be amended to limit it to "special participants."

-- Section 272-273. Reemployment. Section 272 regarding reemployment and section 273 concerning reemployment compensation would be amended to include provisions in 5 U.S.C. § 8344.

PART I - Voluntary Contributions

-- Section 281. Contributions. This section relating to voluntary contributions differs from the corresponding CSRS provision in 5 U.S.C. 8343. Therefore, amendments would be necessary to include the CSRS provisions and to maintain the current CIARDS procedures for "special participants."

PART J - Cost of Living Adjustment

-- Section 291. COLA Adjustment. This section concerning cost-of-living adjustments of annuities is similar but not identical to the CSRS provisions in 5 U.S.C. 8340 and a careful comparison needs to be made to determine whether any amendments are necessary for this section.

PART K - Conformity with Civil Service

-- Section 292. Conformity. This section concerning the authority to maintain conformity with the CSRS would be stricken.

Additional Required Amendments

Social Security - A provision is needed to render the section of the recently enacted Social Security legislation which placed all new federal employees under social security inapplicable to CIA personnel.

Continuation of CIARDS "Time" - A provision is needed to ensure that time currently being counted towards CIARDS is carried over into "special participant" provisions of new system.

"Civil Service Takeout" - A provision is needed to authorize "takeout" from civil service retirement fund of all contributions by current employees and transfer of such funds to the new CIARDS.

In addition, any problems currently being experienced under CIARDS which can be remedied through technical amendments should be identified and resolved.